

State of Delaware Group Health Insurance

FY 2017, 3rd Quarter

Net Payments¹, Utilization and Trends from Incurred Claims

¹ Net Payments in this report include a completion factor to estimate claims that have been incurred but not paid beyond the three month runout period.

Notable Trends

Among non-participating groups², for the current incurred rolling year period (April 1, 2016 – March 31, 2017) compared to the prior incurred rolling year period (April 1, 2015 – March 31, 2016):

- Total net payments for medical and drug claims increased by 1.9% to \$648 million. Factors related to the increase include high cost claimants, inpatient services and, to a lesser extent, professional services.
- Net payments for medical claims increased by 2.6%, while net payments for drug claims increased by 0.2%. Without High Cost Claimants (HCCs) included, the medical net payment trend was 1.3% and the drug trend was -1.7%.
- Among HCCs, net payments for mental health and substance abuse services increased by 16.8% and net payments for inpatient physician and inpatient facilities services increased by 13.6% and 10.1%, respectively. The top clinical conditions for HCCs included chemotherapy encounters and renal failure.
- Musculoskeletal conditions including osteoarthritis, arthropathies and joint disorders and spinal and back disorders continued to be among the top clinical conditions in terms of total net payments.
- On per employee per month (PEPM) basis, net payments for facility inpatient services increased by 4.8% and net payments for physician inpatient services increased by 3.4%.
- Utilization of urgent care facilities increased by 6.6% (from 225.9 visits per 1,000 to 240.9 visits per 1,000) and net payments for urgent care services increased by 11.5%.
- Utilization of high tech radiology services decreased in outpatient hospital facilities (-3.1%) and increased in freestanding facilities (5.6%). Net payments for these services decreased in both places of service (-6.9% and -0.9%, respectively).
- Among the top 20 physician specialties, the highest rate of increase for net payments was for internal medicine. Net payments decreased at rates greater than 10 percent for family practice, multispecialty physician group and plastic maxillofacial surgery.
- The generic efficiency rate for prescription drugs increased for both mail order prescriptions (1.1%) and retail prescriptions (1.3%). The overall generic efficiency rate was 97.1% in the latest incurred rolling year period.
- A generic alternative for Crestor became available during the latest time period and as a result, net payments for Crestor declined 83.6%. Net payments for Humira increased 36.5%.

²Report covers Delaware payroll groups which include Merit Employees, Merit Retirees, Medicare Retirees, Public Education and Higher Education.

Net Payments Summary & Top Clinical Conditions

Total Net Payments

| | 4/1/15 - 3/31/16 | 4/1/16 - 3/31/17 | Trend |
|----------------------|------------------|------------------|-------|
| Total Medical and Rx | \$636,169,466 | \$648,003,367 | 1.9% |

Medical and Rx Net Payments for Members and High Cost Claimants³

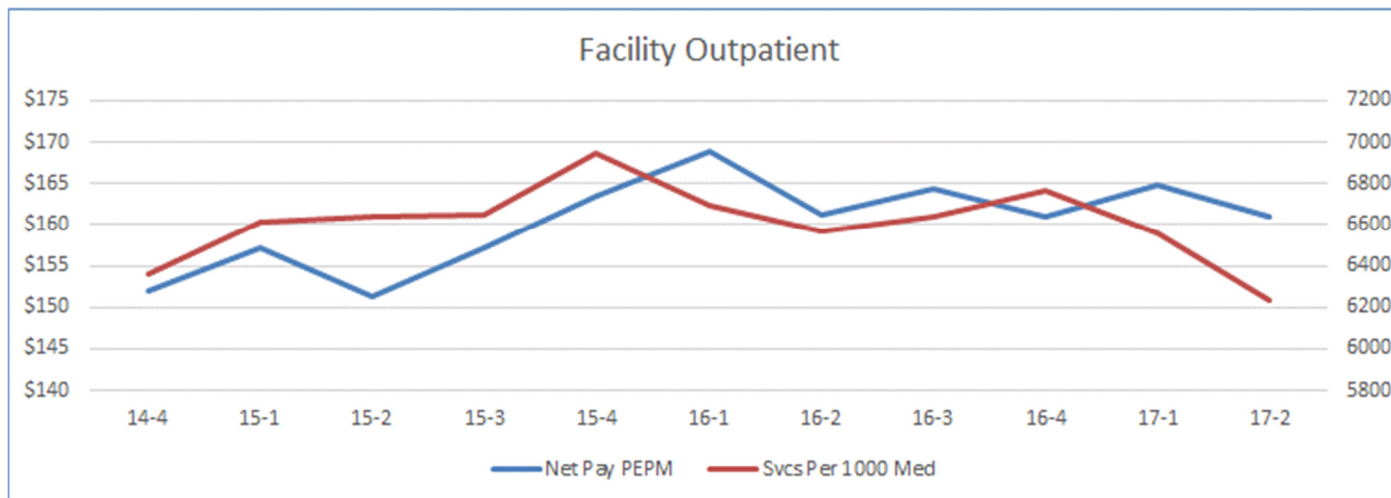
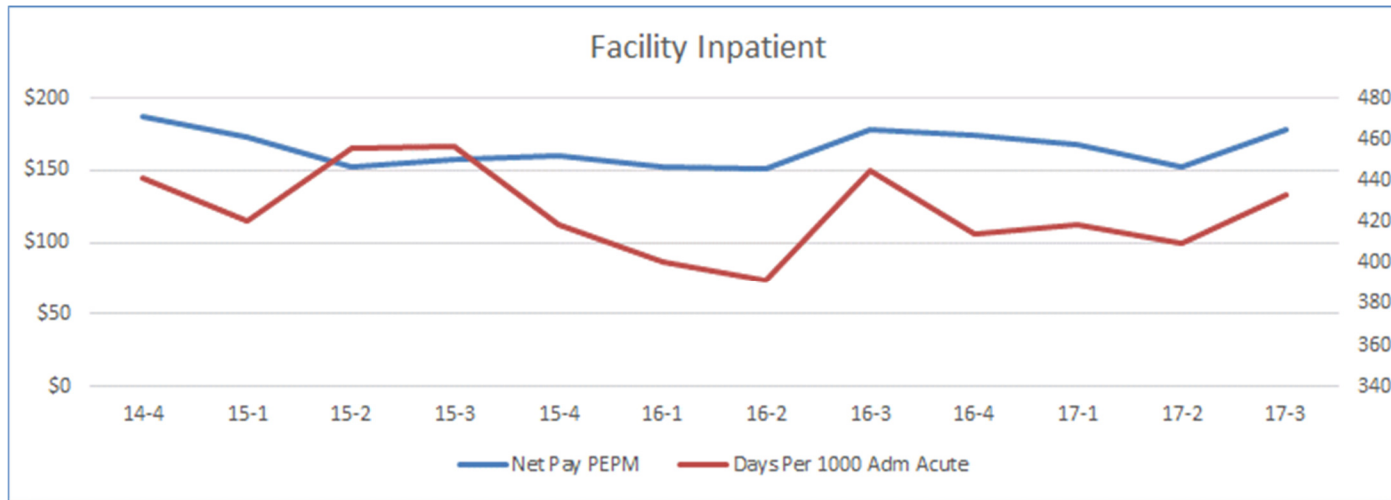
| | 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | | Trend | |
|------------------------|------------------|---------------|------------------|---------------|-------------|------------|
| | Net Pay Med | Net Pay Rx | Net Pay Med | Net Pay Rx | Net Pay Med | Net Pay Rx |
| All Members | \$432,495,400 | \$203,669,122 | \$443,886,383 | \$204,112,644 | 2.6% | 0.2% |
| HCCs | \$99,312,109 | \$20,088,657 | \$106,300,666 | \$23,710,246 | 7.0% | 18.0% |
| Members excluding HCCs | \$333,183,292 | \$183,580,465 | \$337,585,717 | \$180,402,398 | 1.3% | -1.7% |

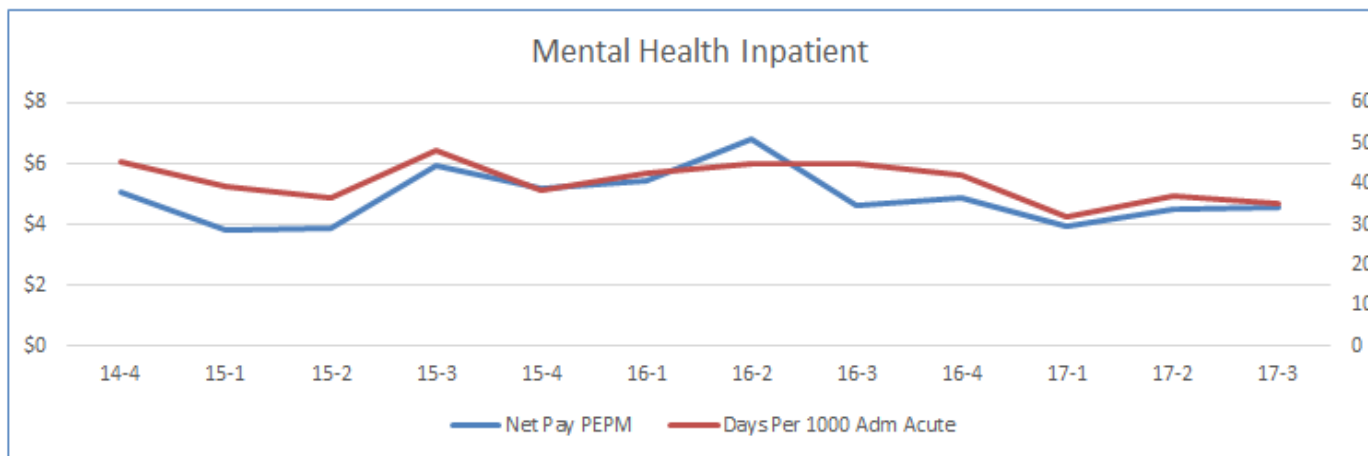
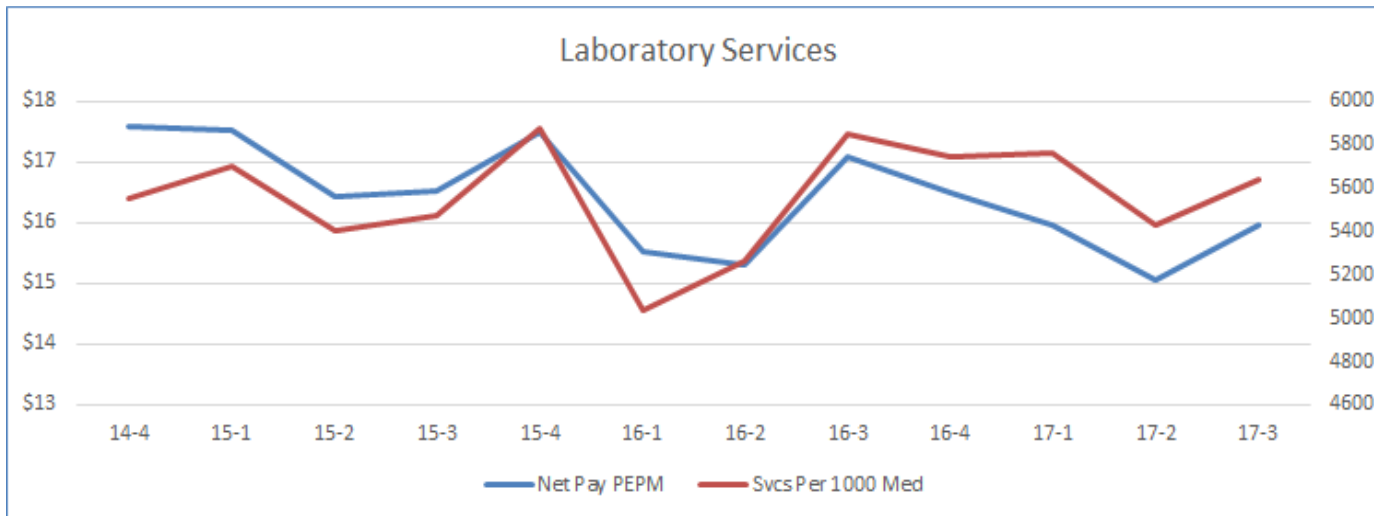
Top Clinical Conditions by Net Payments

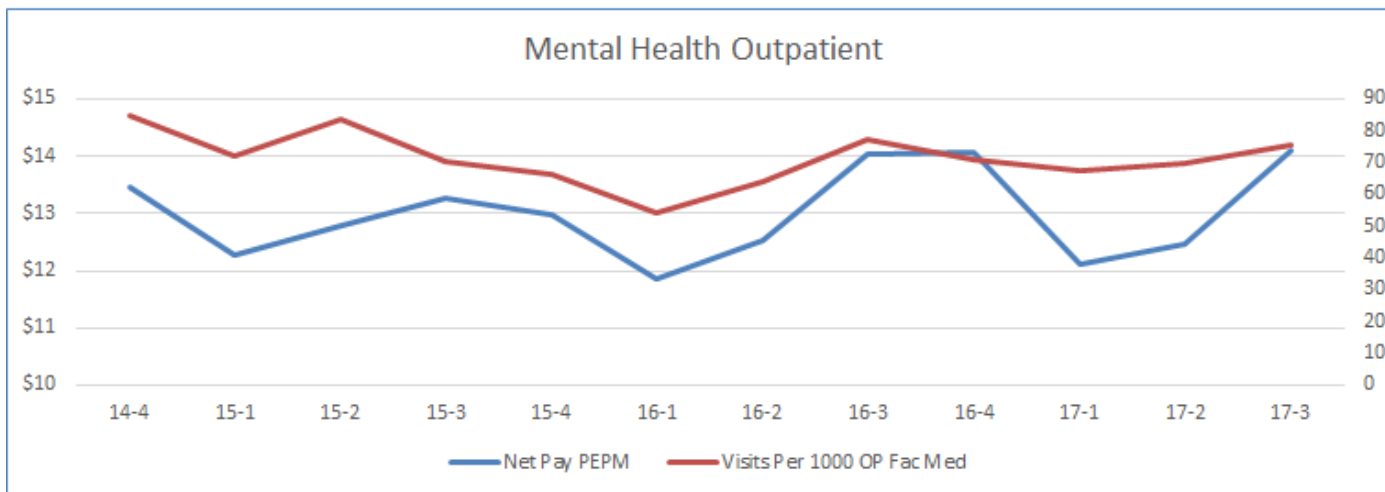
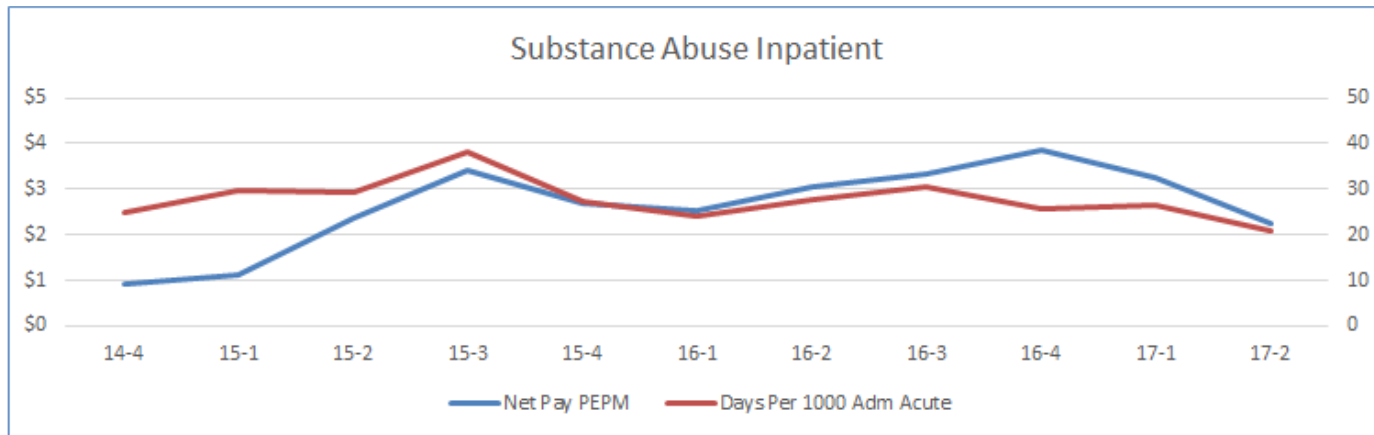
| 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | |
|--------------------------------|--------------|--------------------------------|--------------|
| Clinical Condition | Net Pay | Clinical Condition | Net Pay |
| Signs/Symptoms/Oth Cond, NEC | \$21,205,599 | Signs/Symptoms/Oth Cond, NEC | \$20,869,516 |
| Prevent/Admin Hlth Encounters | \$19,773,903 | Prevent/Admin Hlth Encounters | \$20,598,131 |
| Osteoarthritis | \$17,700,447 | Osteoarthritis | \$15,706,515 |
| Spinal/Back Disord, Low Back | \$13,716,645 | Pregnancy without Delivery | \$15,363,813 |
| Arthropathies/Joint Disord NEC | \$12,988,066 | Spinal/Back Disord, Low Back | \$14,803,130 |
| Gastroint Disord, NEC | \$12,478,834 | Gastroint Disord, NEC | \$13,801,050 |
| Respiratory Disord, NEC | \$10,902,265 | Arthropathies/Joint Disord NEC | \$12,394,710 |
| Pregnancy without Delivery | \$9,476,860 | Respiratory Disord, NEC | \$10,592,815 |
| Coronary Artery Disease | \$9,161,664 | Coronary Artery Disease | \$10,171,373 |
| Renal Function Failure | \$8,319,423 | Spinal/Back Disord, Ex Low | \$7,907,291 |

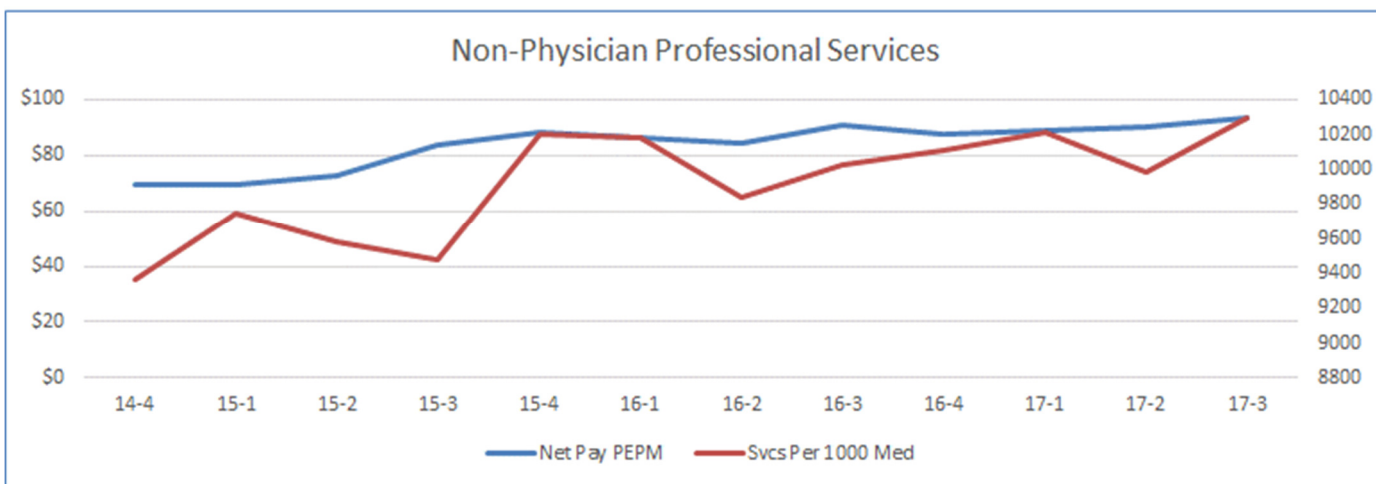
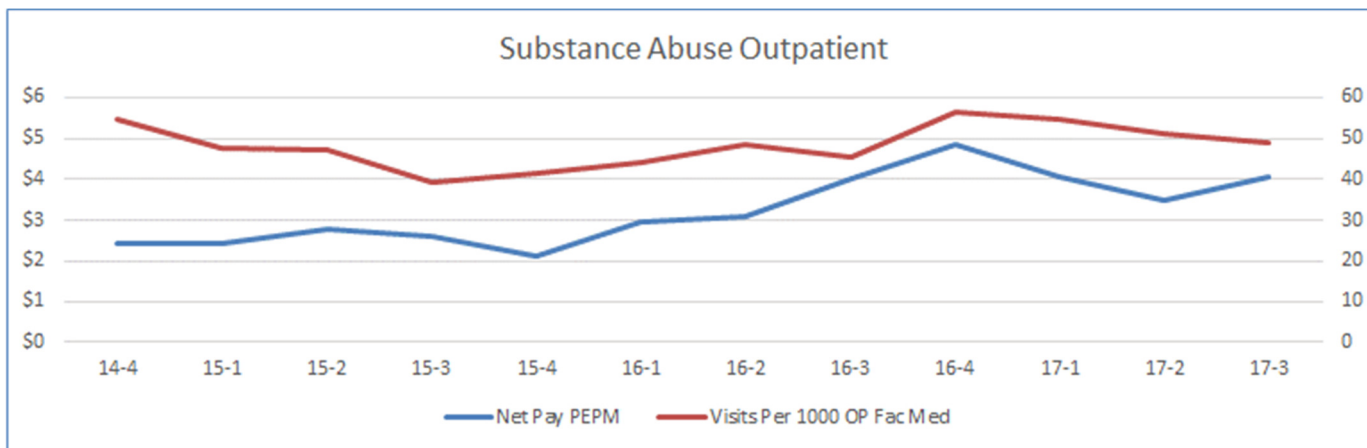
³ High Cost Claimants (HCCs) are claimants with over \$100,000 total claims for the respective time periods.

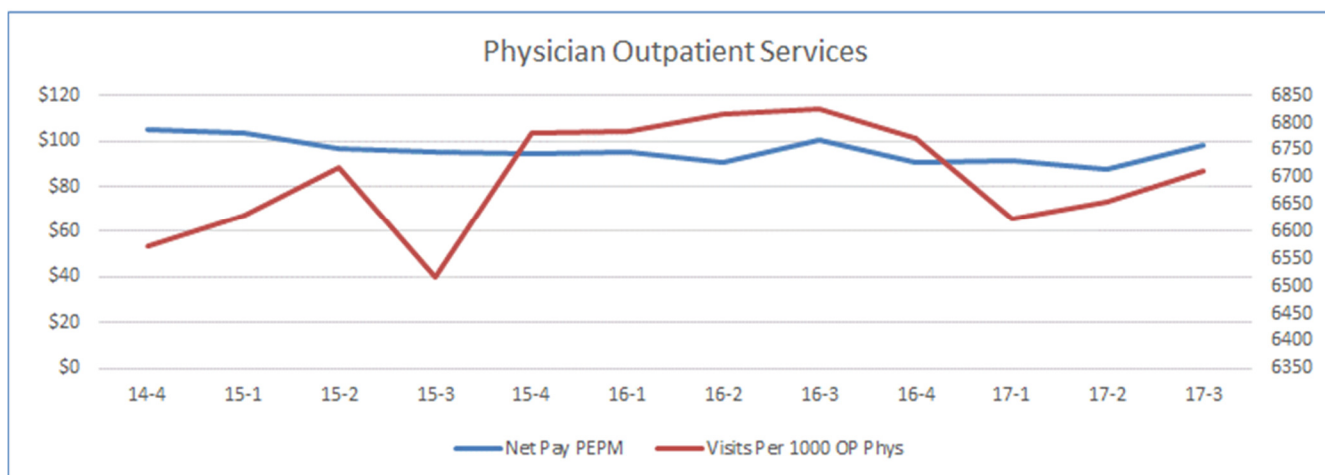
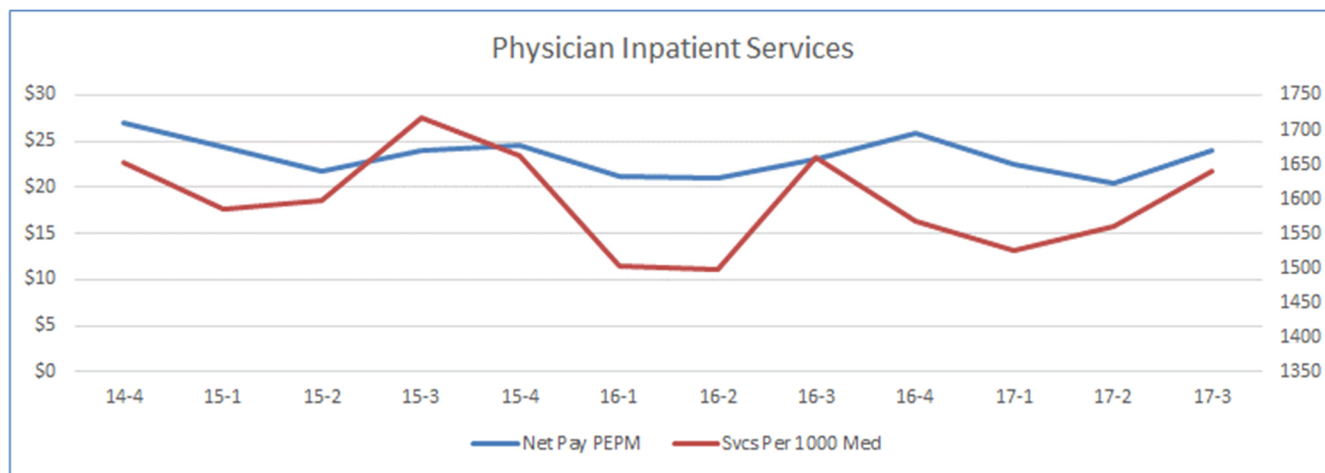
Net Pay Per Employee Per Month (PEPM) and Utilization Trends by Service Category for Last 12 Quarters

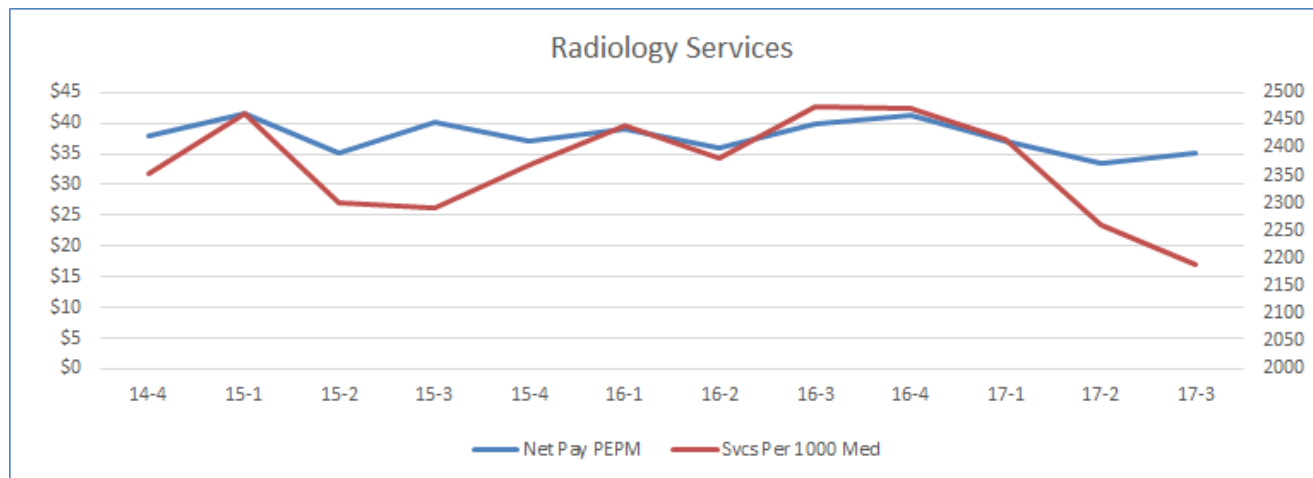












Service Category Net Pay Summary

Net Payments Trends for Service Category Groups

| Service Category Group | 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | | Trend PEPM |
|-----------------------------|----------------------|--------------|----------------------|--------------|---------------|
| | Net Pay Med | PEPM | Net Pay Med | PEPM | |
| Facility Outpatient | \$116,782,441 | \$164 | \$118,778,086 | \$165 | 0.2% |
| Facility Inpatient | \$114,191,679 | \$161 | \$121,488,859 | \$168 | 4.8% |
| Physician Outpatient | \$67,466,395 | \$95 | \$66,223,992 | \$92 | -3.3% |
| Other Professional Services | \$62,238,153 | \$88 | \$65,050,586 | \$90 | 2.9% |
| Radiology Outpatient | \$26,994,014 | \$38 | \$26,455,568 | \$37 | -3.5% |
| MHSA | \$17,269,278 | \$24 | \$17,716,744 | \$25 | 1.0% |
| Physician Inpatient | \$15,940,903 | \$22 | \$16,732,544 | \$23 | 3.4% |
| Laboratory Outpatient | \$11,612,536 | \$16 | \$11,440,003 | \$16 | -3.0% |
| Total | \$432,495,400 | \$609 | \$443,886,383 | \$616 | 2.6% |

Service Category Detail by Net Payments and Utilization

Facility Inpatient

| Facility Inpatient Service Category | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|-------------------------------------|------------------|--------------|---------|------------------|--------------|---------|-------------|------|
| | Days per 1000 | Net Pay Med | PEPM | Days per 1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Facility Inpatient Surgical | 158.0 | \$61,928,427 | \$1,047 | 157.3 | \$64,959,869 | \$1,081 | -0.4% | 3.3% |
| Facility Inpatient Medical | 206.6 | \$33,950,829 | \$574 | 215.1 | \$37,058,037 | \$617 | 4.1% | 7.5% |
| Facility Inpatient Maternity | 49.6 | \$14,287,313 | \$241 | 46.9 | \$15,176,352 | \$253 | -5.5% | 4.6% |
| Facility Inpatient Long Term Care | | \$4,020,532 | \$68 | | \$4,227,897 | \$70 | | 3.6% |
| Facility Inpatient Non Acute | | \$4,578 | \$0 | | \$66,703 | \$1 | | |

Facility Outpatient

| Facility Outpatient Service Category | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|--|-------------------|--------------|------|-------------------|--------------|------|-------------|--------|
| | Services per 1000 | Net Pay Med | PEPM | Services per 1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Facility Outpatient Surgery | 1,459.1 | \$50,950,669 | \$72 | 1,465.6 | \$51,387,711 | \$71 | 0.45% | -0.67% |
| Facility Outpatient ER | 2,222.9 | \$31,523,608 | \$44 | 2,122.9 | \$31,966,967 | \$44 | -4.50% | -0.13% |
| Facility Outpatient Specialty Drugs | 189.7 | \$14,196,476 | \$20 | 134.4 | \$15,393,889 | \$21 | -29.15% | 6.79% |
| Facility Outpatient Diagnostic Services | 222.2 | \$7,566,864 | \$11 | 210.1 | \$7,007,760 | \$10 | -5.46% | -8.79% |
| Facility Outpatient Dialysis | 342.0 | \$4,997,940 | \$7 | 314.7 | \$5,206,475 | \$7 | -7.96% | 2.60% |
| Facility Outpatient Other | 442.4 | \$2,818,280 | \$4 | 450.0 | \$2,765,715 | \$4 | 1.72% | -3.35% |
| Facility Outpatient PT, OT, Speech Therapy | 996.8 | \$2,407,024 | \$3 | 1,078.7 | \$2,570,235 | \$4 | 8.21% | 5.16% |
| Facility Outpatient Pharmacy | 504.1 | \$1,238,128 | \$2 | 479.5 | \$1,381,710 | \$2 | -4.87% | 9.91% |
| Facility Outpatient Home Health | 46.0 | \$551,569 | \$1 | 42.1 | \$540,289 | \$1 | -8.43% | -3.53% |
| Facility Outpatient Supplies and Devices | 277.2 | \$261,679 | \$0 | 216.1 | \$261,034 | \$0 | -22.03% | -1.76% |
| Facility Outpatient Transportation | 9.4 | \$220,480 | \$0 | 11.0 | \$246,771 | \$0 | 17.03% | 10.23% |
| Facility Outpatient DME | 1.4 | \$49,724 | \$0 | 1.8 | \$49,529 | \$0 | 24.54% | -1.90% |

Laboratory Services

| Lab Services | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|---------------------------------------|------------------|-------------|------|------------------|-------------|------|-------------|-------|
| | Services / 1000 | Net Pay Med | PEPM | Services / 1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Laboratory Outpatient Chemistry Tests | 2,840.2 | \$4,093,911 | \$6 | 2,893.2 | \$3,895,428 | \$5 | 1.9% | -6.3% |
| Laboratory Outpatient Other | 2,143.9 | \$3,675,745 | \$5 | 2,218.9 | \$3,825,146 | \$5 | 3.5% | 2.5% |
| Laboratory Outpatient Pathology | 520.1 | \$3,842,880 | \$5 | 528.1 | \$3,719,429 | \$5 | 1.5% | -4.7% |

Mental Health and Substance Abuse

| MH / SA Services | Utilization Type | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|----------------------------------|------------------|------------------|-------------|------|------------------|-------------|------|-------------|--------|
| | | Utilization | Net Pay Med | PEPM | Utilization | Net Pay Med | PEPM | Utilization | PEPM |
| Mental Health Other Outpatient | Visits per 1000 | 762.9 | \$7,351,167 | \$10 | 781.3 | \$7,757,530 | \$11 | 2.4% | 3.9% |
| Substance Abuse Other Outpatient | Visits per 1000 | 37.0 | \$2,097,883 | \$3 | 41.3 | \$2,889,751 | \$4 | 11.6% | 35.7% |
| Mental Health Inpatient | Days Per 1000 | 42.8 | \$3,917,867 | \$6 | 36.6 | \$3,229,281 | \$4 | -14.4% | -18.8% |
| Substance Abuse Inpatient | Days Per 1000 | 27.5 | \$2,057,853 | \$3 | 22.6 | \$2,013,077 | \$3 | -17.8% | -3.7% |
| Mental Health Office Visits | Visits per 1000 | 283.8 | \$1,772,306 | \$2 | 283.4 | \$1,749,469 | \$2 | -0.1% | -2.8% |
| Substance Abuse Office Visits | Visits per 1000 | 10.6 | \$72,202 | \$0 | 13.0 | \$77,637 | \$0 | 22.9% | 5.9% |

Non-Physician Professional Services

| Non-Physician Professional Services | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|-------------------------------------|------------------|--------------|------|------------------|--------------|------|-------------|--------|
| | Services / 1000 | Net Pay Med | PEPM | Services / 1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Professional Specialty Drugs | 263.6 | \$18,235,431 | \$26 | 263.5 | \$20,031,770 | \$28 | 0.0% | 8.2% |
| Professional Services Other | 556.5 | \$10,365,984 | \$15 | 585.5 | \$11,105,287 | \$15 | 5.2% | 5.5% |
| Professional PT, OT, Speech Therapy | 4,062.4 | \$6,685,706 | \$9 | 4,097.7 | \$6,895,370 | \$10 | 0.9% | 1.6% |
| Professional Diagnostic Services | 1,298.8 | \$6,022,339 | \$8 | 1,307.0 | \$5,839,415 | \$8 | 0.6% | -4.5% |
| Professional Office Visits | 616.2 | \$4,480,506 | \$6 | 681.1 | \$5,028,039 | \$7 | 10.5% | 10.5% |
| Professional Supplies and Devices | 897.6 | \$4,448,554 | \$6 | 980.1 | \$4,564,812 | \$6 | 9.2% | 1.1% |
| Professional DME | 384.2 | \$2,626,145 | \$4 | 355.0 | \$2,339,881 | \$3 | -7.6% | -12.2% |
| Professional Transportation | 232.3 | \$2,361,705 | \$3 | 186.7 | \$2,253,291 | \$3 | -19.6% | -6.0% |
| Professional Home Health | 69.6 | \$2,353,900 | \$3 | 71.8 | \$2,106,210 | \$3 | 3.3% | -11.9% |
| Professional Injections | 819.9 | \$2,307,157 | \$3 | 786.6 | \$2,564,139 | \$4 | -4.1% | 9.5% |
| Professional Chiropractic Services | 830.1 | \$2,138,975 | \$3 | 807.0 | \$2,120,639 | \$3 | -2.8% | -2.4% |
| Professional Dialysis | 31.6 | \$211,752 | \$0 | 28.9 | \$201,733 | \$0 | -8.4% | -6.2% |

Physician Inpatient Services

| Physician Inpatient Services | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|-----------------------------------|------------------|-----------------|---------|------------------|-----------------|---------|-------------|------|
| | Services / 1000 | Net Pay Med | PEPM | Services / 1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Physician Specialty Inpatient | 978.65 | \$11,418,461.40 | \$16.08 | 968.70 | \$11,976,358.40 | \$16.61 | -1.0% | 3.3% |
| Physician Non-Specialty Inpatient | 602.36 | \$4,522,441.97 | \$6.37 | 604.60 | \$4,756,185.81 | \$6.60 | 0.4% | 3.6% |

Physician Outpatient

| Physician Outpatient Service Category | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|--|------------------|--------------|------|------------------|--------------|------|-------------|------|
| | Visits / 1000 | Net Pay Med | PEPM | Visits / 1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Physician Non-Specialty Office Visits | 2,833.9 | \$22,164,576 | \$31 | 2,767.6 | \$22,142,062 | \$31 | -2% | -2% |
| Physician Specialty Outpatient Surgery | 443.6 | \$19,853,224 | \$28 | 421.9 | \$18,519,572 | \$26 | -5% | -8% |
| Physician Specialty Office Visits | 2,556.8 | \$13,488,574 | \$19 | 2,533.7 | \$12,961,410 | \$18 | -1% | -5% |
| Physician Specialty Outpatient Other | 802.9 | \$5,035,932 | \$7 | 801.3 | \$5,367,910 | \$7 | 0% | 5% |
| Physician Specialty ER | 330.2 | \$3,895,851 | \$5 | 323.8 | \$3,899,807 | \$5 | -2% | -1% |
| Physician Non-Specialty Outpatient Surgery | 41.6 | \$1,518,815 | \$2 | 42.0 | \$1,508,050 | \$2 | 1% | -2% |
| Physician Non-Specialty Outpatient Other | 235.1 | \$1,166,517 | \$2 | 255.5 | \$1,476,769 | \$2 | 9% | 25% |
| Physician Non-Specialty ER | 29.6 | \$342,907 | \$0 | 32.1 | \$348,413 | \$0 | 8% | 0% |

Radiology Services

| Radiology Services | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|--|------------------|-------------|------|------------------|-------------|------|-------------|--------|
| | Services/1000 | Net Pay Med | PEPM | Services/1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Radiology Outpatient Therapeutic Radiology | 218.2 | \$7,850,246 | \$11 | 217.7 | \$7,143,990 | \$10 | -0.2% | -10.4% |
| Radiology Outpatient MRIs | 161.2 | \$4,856,736 | \$7 | 160.6 | \$4,528,594 | \$6 | -0.4% | -8.2% |
| Radiology Outpatient Ultrasounds | 430.2 | \$4,051,270 | \$6 | 417.8 | \$4,262,440 | \$6 | -2.9% | 3.6% |
| Radiology Outpatient Mammograms | 439.6 | \$2,658,372 | \$4 | 422.0 | \$2,935,765 | \$4 | -4.0% | 8.8% |
| Radiology Outpatient CAT Scans | 189.4 | \$2,637,796 | \$4 | 186.6 | \$2,636,852 | \$4 | -1.5% | -1.5% |
| Radiology Outpatient X-Rays | 842.4 | \$2,023,787 | \$3 | 798.3 | \$2,055,017 | \$3 | -5.2% | 0.0% |
| Radiology Outpatient Nuclear Medicine | 75.1 | \$1,603,800 | \$2 | 73.1 | \$1,641,259 | \$2 | -2.7% | 0.8% |
| Radiology Outpatient Other | 59.9 | \$1,312,007 | \$2 | 57.1 | \$1,251,651 | \$2 | -4.6% | -6.0% |

Place of Service by Net Payments and Utilization

Laboratories

| Place of Service - Lab | Utilization Type | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|-------------------------------|------------------|------------------|--------------|------|------------------|-------------|------|-------------|-------|
| | | Utilization | Net Pay Med | PEPM | Utilization | Net Pay Med | PEPM | Utilization | PEPM |
| Outpatient Hospital-On Campus | Visits per 1000 | 614.8 | \$10,110,070 | \$14 | 612.1 | \$9,948,309 | \$14 | -0.4% | -1.6% |
| Independent Laboratory | Visits per 1000 | 810.2 | \$5,547,707 | \$8 | 873.1 | \$5,824,711 | \$8 | 7.8% | 5.0% |
| Ambulatory Surgical Center | Visits per 1000 | 8.8 | \$167,706 | \$0 | 7.9 | \$157,647 | \$0 | -9.5% | -6.0% |

Emergency Rooms & Urgent Care

| Place of Service | Utilization Type | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|---------------------------|------------------|------------------|-------------|------|------------------|-------------|------|-------------|-------|
| | | Utilization | Net Pay Med | PEPM | Utilization | Net Pay Med | PEPM | Utilization | PEPM |
| Emergency Room - Hospital | Visits per 1000 | 312.1 | \$5,713,921 | \$8 | 307.6 | \$5,884,771 | \$8 | -1.4% | 3.0% |
| Urgent Care Facility | Visits per 1000 | 225.9 | \$1,953,188 | \$3 | 240.9 | \$2,177,442 | \$3 | 6.6% | 11.5% |

Outpatient Hospital and Freestanding High Tech Radiology

| Place of Service | Utilization Type | 04/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|-----------------------|------------------|-------------------|--------------|------|------------------|--------------|------|-------------|-------|
| | | Utilization | Net Pay Med | PEPM | Utilization | Net Pay Med | PEPM | Utilization | PEPM |
| Outpatient Hospital | Visits per 1000 | 224.1 | \$14,828,567 | \$21 | 217.2 | \$13,809,147 | \$19 | -3.1% | -6.9% |
| Freestanding Facility | Visits per 1000 | 113.7 | \$3,175,995 | \$4 | 120.1 | \$3,146,131 | \$4 | 5.6% | -0.9% |

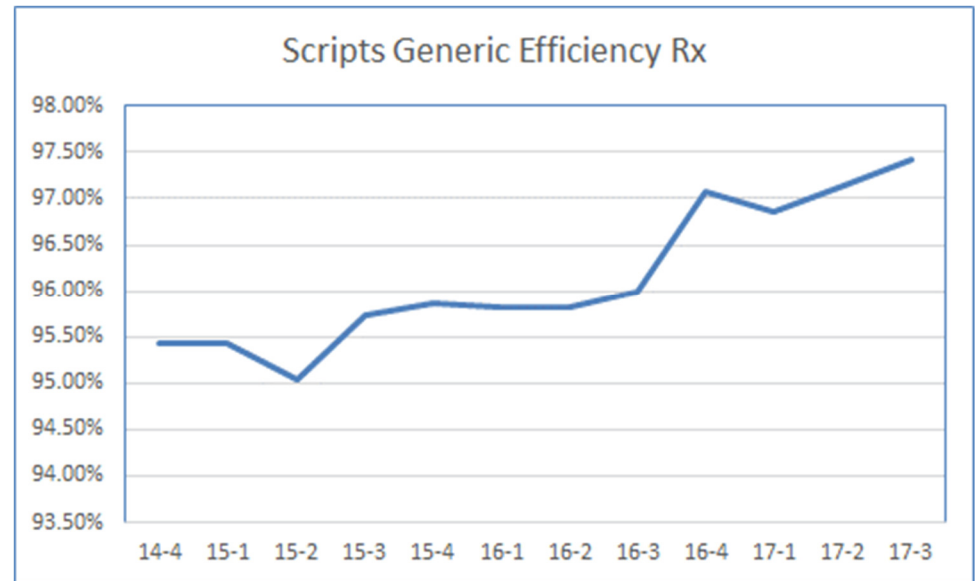
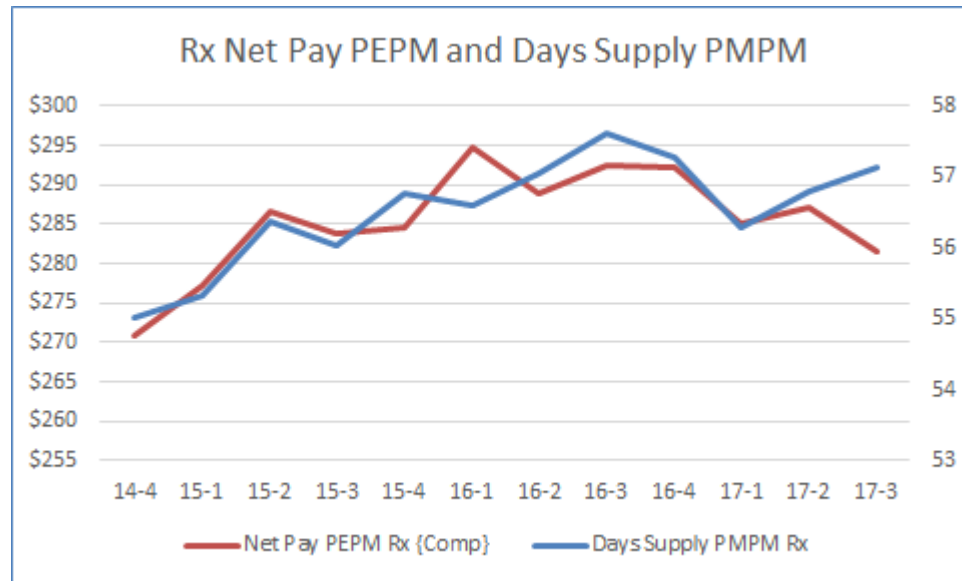
Top 20 Physician Specialties by Net Payments and Utilization

| Provider Type | 4/1/15 - 3/31/16 | | | 4/1/16 - 3/31/17 | | | Trend | |
|--------------------------------|------------------|--------------|------|------------------|-------------|------|-------------|--------|
| | Services / 1000 | Net Pay Med | PEPM | Services / 1000 | Net Pay Med | PEPM | Utilization | PEPM |
| Family Practice | 2,299.5 | \$10,568,070 | \$15 | 2,209.4 | \$9,611,028 | \$13 | -3.9% | -10.4% |
| Obstetrics & Gynecology | 701.4 | \$8,904,068 | \$13 | 684.3 | \$9,170,914 | \$13 | -2.4% | 1.4% |
| Anesthesiology | 368.5 | \$8,697,128 | \$12 | 346.8 | \$8,175,813 | \$11 | -5.9% | -7.4% |
| Pediatrician (NEC) | 1,266.1 | \$8,344,573 | \$12 | 1,301.3 | \$8,736,405 | \$12 | 2.8% | 3.1% |
| Orthopaedic Surgery | 808.5 | \$7,817,395 | \$11 | 768.7 | \$7,686,725 | \$11 | -4.9% | -3.2% |
| Internal Medicine (NEC) | 1,378.8 | \$5,876,816 | \$8 | 1,434.3 | \$6,426,858 | \$9 | 4.0% | 7.7% |
| Cardiovascular Dis/Cardiology | 1,043.2 | \$4,979,623 | \$7 | 1,008.2 | \$4,742,372 | \$7 | -3.4% | -6.2% |
| Oncology | 308.0 | \$4,855,027 | \$7 | 298.3 | \$5,024,034 | \$7 | -3.2% | 1.9% |
| Rheumatology | 169.8 | \$4,476,691 | \$6 | 168.9 | \$4,125,958 | \$6 | -0.6% | -9.2% |
| Ophthalmology | 590.9 | \$4,324,629 | \$6 | 606.6 | \$4,571,032 | \$6 | 2.7% | 4.1% |
| Emergency Medicine | 382.2 | \$4,133,065 | \$6 | 379.0 | \$4,208,261 | \$6 | -0.8% | 0.3% |
| Gastroenterology | 240.2 | \$3,580,946 | \$5 | 255.4 | \$3,766,253 | \$5 | 6.3% | 3.6% |
| Surgeon (NEC) | 264.1 | \$3,245,210 | \$5 | 254.2 | \$3,069,677 | \$4 | -3.8% | -6.8% |
| Chiropractor/DCM | 1,367.4 | \$2,987,251 | \$4 | 1,333.0 | \$2,980,865 | \$4 | -2.5% | -1.7% |
| Otolaryngology | 290.9 | \$2,862,742 | \$4 | 289.2 | \$2,864,705 | \$4 | -0.6% | -1.4% |
| Dermatology | 568.2 | \$2,688,401 | \$4 | 571.8 | \$2,684,532 | \$4 | 0.6% | -1.7% |
| MultiSpecialty Physician Group | 401.5 | \$2,454,975 | \$3 | 458.7 | \$2,115,061 | \$3 | 14.3% | -15.2% |
| Urology | 328.5 | \$2,248,148 | \$3 | 315.6 | \$2,194,301 | \$3 | -4.0% | -3.9% |
| Neurology | 201.0 | \$2,022,740 | \$3 | 190.5 | \$1,965,534 | \$3 | -5.2% | -4.3% |
| Plastic/Maxillofacial Surgery | 129.0 | \$1,977,241 | \$3 | 115.4 | \$1,792,330 | \$2 | -10.5% | -10.7% |

Rx Net Pay, Utilization and Generic Efficiency

Mail/Retail by Days Supply, Generic Efficiency and Net Pay

| | 4/1/15 - 3/31/2016 | | | 4/1/16 - 3/31/17 | | | Trend | | |
|------------|--------------------|--------------------|---------|------------------|--------------------|---------|-------------|--------------------|---------|
| | Days Supply | Generic Efficiency | Net Pay | Days Supply | Generic Efficiency | Net Pay | Days Supply | Generic Efficiency | Net Pay |
| Mail Order | 9,613,868 | 89.1% | \$897 | 9,497,894 | 90.1% | \$940 | -1.2% | 1.1% | 4.9% |
| Retail | 59,402,831 | 96.4% | \$2,586 | 60,084,276 | 97.7% | \$2,497 | 1.1% | 1.3% | -3.4% |
| Total | 69,016,699 | 95.9% | \$3,483 | 69,582,170 | 97.1% | \$3,437 | 0.8% | 1.3% | -1.3% |

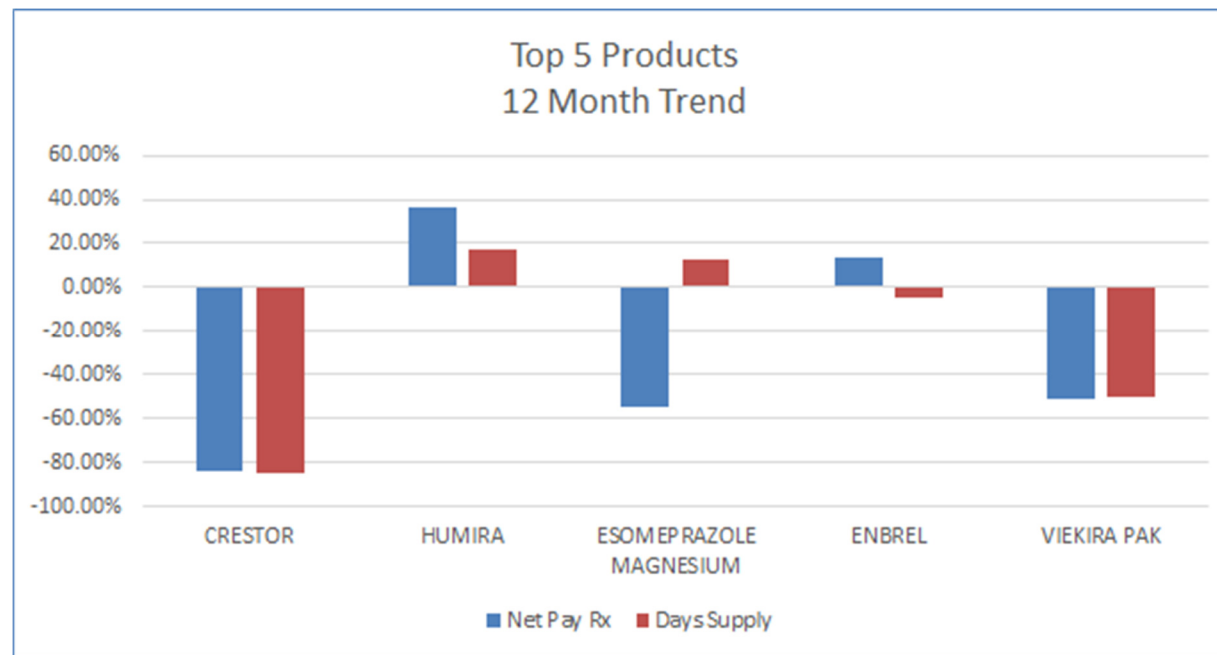


Rx – Top 50 Drugs

| Product | 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | | Trend | |
|------------------------|------------------|-------------|------------------|-------------|---------|-------------|
| | Net Pay | Days Supply | Net Pay | Days Supply | Net Pay | Days Supply |
| CRESTOR | \$8,552,214 | 1,340,288 | \$1,406,042 | 202,163 | -83.6% | -84.9% |
| HUMIRA | \$5,975,185 | 44,205 | \$8,142,049 | 51,959 | 36.3% | 17.5% |
| ESOMEPRAZOLE MAGNESIUM | \$5,331,348 | 782,042 | \$2,431,099 | 877,769 | -54.4% | 12.2% |
| ENBREL | \$3,475,826 | 28,289 | \$3,952,060 | 27,083 | 13.7% | -4.3% |
| VIEKIRA PAK | \$3,455,171 | 3,472 | \$1,699,761 | 1,736 | -50.8% | -50.0% |
| JANUVIA | \$3,247,783 | 308,714 | \$3,519,748 | 317,825 | 8.4% | 3.0% |
| LANTUS SOLOSTAR | \$3,165,854 | 306,618 | \$2,827,677 | 296,708 | -10.7% | -3.2% |
| HUMALOG KWIKPEN | \$2,538,914 | 150,940 | \$3,740,193 | 209,530 | 47.3% | 38.8% |
| ZETIA | \$2,386,741 | 341,396 | \$2,114,862 | 263,722 | -11.4% | -22.8% |
| HARVONI | \$2,324,703 | 1,904 | \$2,120,758 | 1,820 | -8.8% | -4.4% |
| XARELTO | \$2,123,888 | 209,945 | \$2,470,692 | 225,432 | 16.3% | 7.4% |
| NEXIUM | \$1,988,782 | 268,829 | \$291,229 | 38,442 | -85.4% | -85.7% |
| GILENYA | \$1,929,203 | 9,546 | \$2,491,486 | 11,196 | 29.1% | 17.3% |
| VYTORIN | \$1,884,668 | 273,994 | \$1,981,281 | 242,861 | 5.1% | -11.4% |
| VYVANSE | \$1,845,405 | 257,076 | \$2,183,095 | 281,297 | 18.3% | 9.4% |
| COPAXONE | \$1,786,361 | 9,370 | \$1,947,013 | 10,554 | 9.0% | 12.6% |
| ARIPIPRAZOLE | \$1,775,454 | 109,159 | \$647,311 | 125,038 | -63.5% | 14.5% |
| REVLIMID | \$1,774,077 | 4,753 | \$3,327,864 | 7,994 | 87.6% | 68.2% |
| OXYCONTIN | \$1,751,991 | 101,731 | \$1,685,150 | 84,488 | -3.8% | -16.9% |
| SPIRIVA | \$1,728,739 | 180,640 | \$1,556,078 | 150,536 | -10.0% | -16.7% |
| INVOKANA | \$1,713,324 | 154,826 | \$2,054,769 | 170,899 | 19.9% | 10.4% |
| LYRICA | \$1,665,911 | 151,055 | \$1,839,943 | 151,719 | 10.4% | 0.4% |
| VICTOZA | \$1,652,300 | 87,608 | \$1,857,928 | 88,941 | 12.4% | 1.5% |
| ONE TOUCH ULTRA | \$1,564,624 | 477,627 | \$1,387,908 | 405,958 | -11.3% | -15.0% |
| LEVEMIR FLEXTOUCH | \$1,462,019 | 119,613 | \$1,218,862 | 105,443 | -16.6% | -11.8% |
| TECFIDERA | \$1,431,508 | 7,158 | \$1,204,991 | 5,616 | -15.8% | -21.5% |

| Product | 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | | Trend | |
|------------------------|------------------|-------------|------------------|-------------|---------|-------------|
| | Net Pay | Days Supply | Net Pay | Days Supply | Net Pay | Days Supply |
| ELIQUIS | \$1,409,043 | 141,515 | \$2,266,102 | 206,491 | 60.8% | 45.9% |
| HUMALOG | \$1,375,130 | 81,198 | \$1,672,818 | 91,320 | 21.6% | 12.5% |
| METHYLPHENIDATE HCL | \$1,301,566 | 213,182 | \$1,478,088 | 229,361 | 13.6% | 7.6% |
| SYMBICORT 160/4.5 | \$1,286,764 | 159,584 | \$1,331,966 | 158,310 | 3.5% | -0.8% |
| NASONEX | \$1,210,396 | 194,933 | \$57,874 | 9,294 | -95.2% | -95.2% |
| ADVAIR DISKUS 250/50 | \$1,209,903 | 128,767 | \$1,221,682 | 120,480 | 1.0% | -6.4% |
| GLUMETZA | \$1,186,837 | 11,190 | \$149,676 | 720 | -87.4% | -93.6% |
| JANUMET | \$1,154,565 | 115,660 | \$1,275,136 | 121,848 | 10.4% | 5.4% |
| ANDROGEL | \$1,145,376 | 56,006 | \$935,195 | 42,370 | -18.4% | -24.3% |
| CIALIS | \$1,092,724 | 115,236 | \$469,019 | 75,445 | -57.1% | -34.5% |
| METFORMIN HCL | \$1,056,818 | 1,542,843 | \$2,687,815 | 1,643,687 | 154.3% | 6.5% |
| GLEEVEC | \$1,016,027 | 3,060 | \$947,980 | 3,226 | -6.7% | 5.4% |
| VIAGRA | \$947,975 | 84,663 | \$81,931 | 24,758 | -91.4% | -70.8% |
| VESICARE | \$861,814 | 110,965 | \$891,192 | 100,634 | 3.4% | -9.3% |
| MIXED AMPHETAMINE SALT | \$857,633 | 172,915 | \$584,488 | 150,439 | -31.8% | -13.0% |
| POMALYST | \$842,229 | 1,510 | \$767,861 | 1,239 | -8.8% | -17.9% |
| NOVOLOG FLEXPEN | \$833,049 | 55,496 | \$160,180 | 8,187 | -80.8% | -85.2% |
| AFINITOR DISPERZ | \$824,064 | 360 | ---- | ---- | ---- | ---- |
| PRADAXA | \$815,509 | 82,667 | \$976,419 | 92,929 | 19.7% | 12.4% |
| RESTASIS | \$773,913 | 64,631 | \$857,691 | 65,902 | 10.8% | 2.0% |
| ZYTIGA | \$771,528 | 2,898 | \$943,506 | 3,334 | 22.3% | 15.0% |
| TRULICITY | \$754,815 | 41,785 | \$1,916,375 | 96,064 | 153.9% | 129.9% |
| CELECOXIB | \$739,335 | 263,246 | \$429,594 | 238,976 | -41.9% | -9.2% |
| LIALDA | \$732,803 | 35,367 | \$946,373 | 44,083 | 29.1% | 24.6% |

Rx – Top 5 Products – 12 Month Trends



High Cost Claimants (HCCs)

Service Category Group Net Pay and Utilization for HCCs

| Service Category Group | Utilization Type | 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | Trend | | |
|-----------------------------|------------------|------------------|-------------|------------------|-------------|-------------|---------|
| | | Utilization | Net Pay Med | Utilization | Net Pay Med | Utilization | Net Pay |
| Facility Inpatient | Patients | 416 | 45,104,297 | 427 | 49,679,934 | 2.6% | 10.1% |
| Facility Outpatient | Patients | 593 | 27,575,363 | 628 | 29,008,589 | 5.9% | 5.2% |
| Laboratory Outpatient | Patients | 595 | 1,083,952 | 636 | 989,382 | 6.9% | -8.7% |
| MHSA | Patients | 197 | 2,284,689 | 193 | 2,667,449 | -2.0% | 16.8% |
| Other Professional Services | Patients | 614 | 9,462,836 | 670 | 10,495,020 | 9.1% | 10.9% |
| Physician Inpatient | Patients | 438 | 4,216,101 | 449 | 4,787,480 | 2.5% | 13.6% |
| Physician Outpatient | Patients | 633 | 2,744,790 | 687 | 2,394,989 | 8.5% | -12.7% |
| Radiology Outpatient | Patients | 551 | 6,840,080 | 572 | 6,277,822 | 3.8% | -8.2% |

Top Clinical Conditions Among High Cost Claimants

| 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | |
|--------------------------------|-------------|------------------------------|-------------|
| Clinical Condition | Net Pay Med | Clinical Condition | Net Pay Med |
| Renal Function Failure | \$5,375,504 | Chemotherapy Encounters | \$5,262,122 |
| Chemotherapy Encounters | \$4,843,069 | Renal Function Failure | \$4,635,626 |
| Cancer - Leukemia | \$4,732,115 | Cardiac Arrhythmias | \$4,100,844 |
| Cancer - Breast | \$3,976,635 | Spinal/Back Disord, Low Back | \$3,941,444 |
| Respiratory Disord, NEC | \$3,316,478 | Infections, NEC | \$3,739,737 |
| Condition Rel to Tx - Med/Surg | \$3,201,561 | Coronary Artery Disease | \$3,554,741 |
| Radiation Therapy Encounters | \$2,984,132 | Cancer - Leukemia | \$3,402,220 |
| Signs/Symptoms/Oth Cond, NEC | \$2,736,459 | Gastroint Disord, NEC | \$3,293,238 |
| Spinal/Back Disord, Low Back | \$2,641,794 | Cerebrovascular Disease | \$3,252,390 |
| Coronary Artery Disease | \$2,627,412 | Cancer - Breast | \$3,072,023 |

High Cost Claimants – Top Therapeutic Classes

| Therapeutic Class | 4/1/15 - 3/31/16 | | 4/1/16 - 3/31/17 | | Trend | |
|-------------------------|------------------|----------|------------------|----------|---------|-------------|
| | Net Pay Rx | Patients | Net Pay Rx | Patients | Net Pay | Utilization |
| Antineoplastic Agents | \$6,937,728 | 112 | \$8,498,582 | 123 | 22.5% | 9.8% |
| Anti-Infective Agents | \$3,469,530 | 499 | \$2,671,966 | 528 | -23.0% | 5.8% |
| Misc Therapeutic Agents | \$2,593,975 | 154 | \$4,333,694 | 170 | 67.1% | 10.4% |
| Cardiovascular Agents | \$1,704,464 | 430 | \$1,761,421 | 475 | 3.3% | 10.5% |
| Central Nervous System | \$1,678,901 | 545 | \$1,803,786 | 571 | 7.4% | 4.8% |

Glossary

Days per 1000 Adm Acute - the average number of days from acute admissions per 1000 members with medical coverage per year.

Days Supply – is the number of days for which drugs were supplied for prescriptions filled.

Generic Efficiency – the number of prescriptions filled with a generic drug, expressed as a percentage of all prescriptions filled that could have been filled with a generic drug.

Svcs Per 1000 – the average number of services provided under medical coverage per 1000 members with medical coverage per year.

Visits per 1000 – the average number of outpatient facility visits under medical coverage, per 1000 members with medical coverage per year.